

# **Millennium Challenge Corporation's Commitment to International Education**

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The Millennium Challenge Corporation (MCC) is an independent U.S. Government agency that partners with the best-governed poor countries to reduce poverty through economic growth. MCC's business-like approach is based on selectivity, evidence-based decision-making, country ownership, and accountability, which are widely recognized as key tenets of effective foreign assistance. MCC works closely with the private sector to leverage its expertise and incentivize policy reforms that promote market opportunities. MCC advances American security, values, and prosperity by holding the agency and partner countries accountable for results and continued good governance.

Decisions at MCC are based on data and rigorous analysis, and the results are monitored, measured, and publicly shared. MCC uses third-party data to inform a competitive selection process that aims to provide economic development assistance to countries that demonstrate a commitment to good governance and sound economic and social policies. Partner countries are selected for either Compacts or Threshold Programs. Compacts are implemented over a period of five years and are focused on investments in infrastructure and policy reforms, while Threshold Programs are implemented over three to four years and focus on policy and institutional reforms. In April 2018, MCC was granted authority to enter into concurrent compacts with partner countries for purposes of regional economic integration, increased regional trade, and to facilitate cross-border collaborations.

The development of a Compact or Threshold Program begins with an analysis of the constraints to economic growth in the partner country, along with an initial gender and social inclusion assessment and an investment opportunity assessment, which is completed jointly with the partner country's government and includes consultations with civil society and the private sector. In the next phase, a root cause analysis of those constraints, and detailed sector analysis allow evidence to play a central role in the design and selection of projects, with a particular focus on investing in projects that demonstrate cost effectiveness. All MCC investments are monitored throughout implementation, and reports on key performance indicators are published quarterly to inform and adjust projects in real time. Finally, all MCC projects are independently evaluated in accordance with the agency's [Monitoring and Evaluation Policy](#), and all evaluations are published on MCC's [website](#). The process of reporting independent results keeps MCC accountable to taxpayers and helps MCC and other donors learn from these investments.

Country-driven project development and implementation is one of MCC's guiding principles. MCC staff work closely with partner countries to develop project proposals that address the countries' most significant barriers to broad-based economic growth. Compacts and Threshold Programs are implemented through a Millennium Challenge Account established by the partner country and overseen by a local Board of Directors. Partner countries maintain responsibility to generate and sustain results. To ensure the capacity of partner countries to deliver long-term results from projects, MCC's interventions focus on strengthening local institutions responsible for operation and maintenance of MCC-financed infrastructure after program closure.

As of the July 2018 signing of the second Mongolia compact, MCC has signed 36 compacts with 29 countries totaling \$13 billion of obligated funds, with more than \$948 million invested in education and training programs. To date, MCC has constructed or rehabilitated 791 educational facilities and trained

216,101 learners. The impact is expected to grow rapidly in coming years as the Republic of Georgia, El Salvador, Morocco and Guatemala complete implementation of substantial education investments, and Cote d'Ivoire finalizes project design and begins implementation.

## Contributions to the Strategy

**Country owned and demand-driven project identification.** MCC works closely with partner governments to conduct a *Constraints Analysis* – a disciplined exercise to identify factors that limit economic growth the most. Economic theory has held labor or human capital as a key factor in economic growth. In recent years, education-related constraints have been identified in two scenarios:

- In *Lower Middle Income Countries*, including Georgia and Morocco, countries have made strides in access to education but must now focus on the education quality, inclusion of girls and vulnerable populations, and relevance of training to meet the needs of an evolving, modern economy.
- In *Lower Income Countries*, particularly in vulnerable states – including Côte d'Ivoire, Timor Leste, and Burkina Faso – education access is still low, especially at the secondary level. Education quality is also very poor. Technical and vocational training programs are either non-existent or obsolete. Generally, these economies are focused on agriculture and extractives, and seeking to industrialize and diversify. However, low levels of literacy, numeracy, and soft skills hold the development of local industry and constraining foreign investment.

MCC programs target a specific country's root cause to the identified constraint, meaning MCC can support partner countries in basic education areas that span children (i.e. counter-stunting programs, construction of education facilities) to adults (i.e. workforce development programs, university programs). Most MCC programs contain a significant investment in infrastructure, along with policy and institutional reforms, capacity building, and community engagement and communications. This section follows with illustrative examples of MCC's international education investments to demonstrate the agency's contribution to the Strategy.

**Preparing Individuals for a Productive Future.** MCC investments aim to improve the employability of project participants and enhance the productivity of the private sector by improving access to, quality of and labor market relevance of basic and technical skills.

In Morocco, MCC will support Technical, Vocational Education and Training (TVET) centers that will train women and men in relevant skills demanded by the private sector, and provide career counseling to connect them with firms that need their expertise. A similar activity in Cote d'Ivoire will aim to create a new TVET model that increases private sector involvement to provide training to students in the skills and knowledge that are demanded by the private sector.

**Systems strengthening.** MCC supports partner countries in transforming their education systems. This often means changing or introducing new laws, strengthening data systems and using evidence for decision making, adjusting institutional roles and processes, and building the capacity of local institutions, such as ministries, schools, training institutions, and associations to implement quality education and

skills programs. MCC's approach of putting the partner country in the lead for implementation increases effectiveness and promotes the sustainability of new behaviors, structures, and decision-making for continued impact.

MCC engaged in education system strengthening in Namibia through supporting the Ministry of Education to launch a continuous professional development program and implement new policies and for facilities and textbook management and maintenance. The El Salvador Investment Compact focuses on strengthening the national education system by reforming laws, policies and operations that govern the continuous professional development of teachers, student assessment, and information systems. This includes investments in teacher training, curricular learning plans, infrastructure and equipment.

**Expand Access to Education.** MCC works to expand access to education through provision of education infrastructure, including schools and TVET centers, labs and equipment, and teacher training centers.

MCC conducted a rigorous, 10-year follow-up evaluation of the BRIGHT program, which focused on providing access to girl-friendly primary schools in rural Burkina Faso. The evaluation found that the project caused an increase in primary school enrollment of 6 percentage points overall and a 10 percentage point increase for girls. The program also had positive impacts on Math and French test scores for both sexes and increased primary school completion rates by 13.5 percent.

The learning crisis is particularly amplified for women and girls, whose access to a safe, quality education is limited because of gender. To combat the bias, MCC focuses on **Women and Girls as Marginalized Learners**. Through its [Gender Policy](#), MCC requires that gender based barriers are identified and addressed throughout its work, from the initial country selection and assessment to the development and design of programs, project implementation, the monitoring of program results, and evaluation of program impacts. Women, who are often marginalized from formal education systems as children, may need to develop skills later in life and in non-traditional education systems.

MCC investments support gender integration in institutional reform, infrastructure development, entrepreneurship, access to finance, workforce development and skills training. MCC programs include grants, training and mentoring, which can help women gain employment and earn income. MCC's investments also create opportunities for women in sectors such as construction and electricity.

In Côte d'Ivoire, MCC's Secondary Education Activity seeks to reduce or mitigate gender disparities in the Ivorian education system to address the associated implications on women's economic opportunities. MCC funding will be used to create and operationalize a Gender in Education Policy, a 5-year implementation plan, and a new gender action unit within the Ministry of National Education. Additionally, the activity will support the implementation of priority actions identified in the Gender Policy to increase girls' and women's access to secondary education and TVET.

**Community development and inclusive approaches to development.** To foster project impact and sustainability it is critical to have appropriate engagement with project participants and other stakeholders using evidence-based methodologies throughout the life of the project. MCC's objectives and ongoing efforts are rooted in rigorous participatory approaches to development which include: using new

systems and technologies that directly engage design and feedback from project participants and other stakeholders; strengthening local governance to improve service delivery; and achieving sustained impact through improved governance systems.

**Building Skills and Data Ecosystems for the Digital Future.** Through the [Data Collaboratives for Local Impact](#) (DCLI) program, a partnership with the President’s Emergency Plan for Aids Relief (PEPFAR), MCC is improving data ecosystems in Tanzania and Côte d’Ivoire. DCLI builds the skills of individual, communities and organizations — as well as local and national governments officials – to apply data analytics, visualizations, data science and technology to health, education, and economic empowerment challenges. DCLI-funded local partners have held [innovation challenges](#); enabled social inclusion and data-driven advocacy through [art, design, and music](#); and opened a [data lab](#) for training, data collaborations and to serve as a center of excellence for data science. Together these investments are boosting the skills of the local data community and harnessing the power of the data revolution to [increase local impact](#).

**MCC’s relationship with other donors.** Globally, donors and partner countries are investing significantly to improve education and training systems. However, current resources are insufficient to meet the need of preparing tomorrow’s global workforce; global funding would need to quintuple from \$16 billion to \$89 billion a year.<sup>1</sup> Often, other donors are focused on primary school, and areas such as early grade reading and math. MCC investments have historically been in the areas of education access, secondary education, TVET, higher education, and adult literacy. Due to MCC’s model of country-driven project development and evidence-based project selection and approval, it is impossible to forecast the focus areas of future MCC education sector investments. However, MCC is committed to continue to regularly engage with other donors in Compact and Threshold countries to help ensure that future investments continue to move in lock-step with other USG Agencies and international donors, and views the USG Basic Education Strategy as an opportunity to strengthen coordination.

MCC’s value added in education and training is derived from its model. MCC uses evidence to diagnose the key problems in the system to tackle what’s most important to the individual partner country work through the government and their system; provide project financing; require key policy and institutional reforms for leverage and sustainability; and provide close oversight and measurement of results.

## MCC’s Impact and Results in International Education

One of the unique aspects of MCC’s evidence-based approach to delivering U.S. foreign assistance is an in-depth economic analysis of its projects, which inform investment decisions, estimate the expected increases in real incomes attributable to a proposed MCC investment relative to its projected costs, and examine the expected distribution of benefits among the project’s likely beneficiaries.”

Each cost-benefit analysis model, its estimated Economic Rate of Return, and beneficiary analysis is available on MCC’s website. Accountability and transparency are key principles to MCC; MCC has ranked as one of the most transparent aid donors in the world for the past 6 years, and in 2018 was ranked as the most transparent U.S. Government.<sup>2</sup>

## Monitoring and Evaluation

For all MCC investments, the partner country develops a program logic that demonstrates a clear theory of change. It explains how MCC's investments will result in the intended impacts on target beneficiaries. The program logic is the basis for identification of appropriate monitoring indicators, and the foundation for the evaluation methodology. As with all of MCC's projects, MCC is committed to monitoring and evaluating its education-related investments to measure progress in implementation, evaluate project outcomes, and provide evidence to better inform future policy and programming. MCC requires that evaluation findings be presented to partner country stakeholders and publicly disseminated after compact closure to ensure transparency, accountability, and the opportunity to learn and improve.

## MCC's Education Common Indicators

MCC's Policy for Monitoring and Evaluation develop sector-specific common indicators for use across education sector Compact and Threshold programs. It also establishes that, where feasible, indicator data be disaggregated by gender and by relevant socioeconomic and ethnic groups. Indicators E-1 through E-8, below, make up the common indicators for the education sector. Other examples of indicators which are often used and are tailored to each program are also included.

### Process indicators

- **(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts:** The value of all signed construction contracts for educational facility. construction, rehabilitation, or equipping (e.g. information technology, desks and chairs, electricity and lighting, water systems, latrines) using compact funds.
- **(E-2) Percent disbursed of signed educational facility construction, rehabilitation, and equipping contracts:** The total amount of all signed construction contracts for education facility works or equipping divided by the total value of all signed contracts.

### Output Indicators

- **(E-3) Legal, financial, and policy reforms adopted:** The number of reforms adopted by the public sector and attributable to compact support that increases the education sector's capacity to improve access, quality, and/or relevance of education at any level, from primary to post-secondary.
- **(E-4) Educational facilities constructed or rehabilitated:** The number of educational facilities constructed or rehabilitated according to standards stipulated in MCA contracts signed.
- **(E-5) Instructors trained:** The number of classroom instructors who complete MCC-supported training focused on instructional quality as defined by the compact training activity, disaggregated by gender.

### Outcome Indicators

- **(E-6) Students participating in MCC-supported education activities:** The number of students enrolled or participating in MCC-supported educational schooling programs, disaggregated by

gender.

- (E-7) **Graduates from MCC-supported education activities:** The number of students graduating from the highest grade (year) for that educational level in MCC-supported education, disaggregated by gender.
- (E-8) **Employed graduates of MCC-supported education activities:** The number of MCC-supported training program graduates employed in their field of study within one year after, disaggregated by gender.

## Other Indicators (used as applicable)

- Percentage improvement on standardized cognitive assessments (literacy, numeracy, subject-specific, etc.).
- Job retention rates of students placed in jobs.
- Grade-to-grade promotion/transition rates of students in MCC-supported schools.
- Attendance rate of students in MCC-supported schools.
- Attendance rate of teachers in MCC-supported schools.
- Number of additional classrooms constructed.
- Number of schools with extended school days.
- Infrastructure conditions assessment on school facilities.
- Implementation of improved operations and maintenance practices.

## Endnotes

1. The International Commission on Financing Global Education. (2016.) The Learning Generation: Investing in education for a changing world.
2. Publish What you Fund. (2018.) The 2018 Aid Transparency Index.  
<http://www.publishwhatyoufund.org/the-index/2018/>